

# 2011 Property Tax Report

## Vermillion County

### with Comparisons to Prior Years



Legislative Services Agency

August 2011

This report describes property tax changes in Vermillion County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Vermillion County

The average homeowner saw a 5.5% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 36.8% lower than they were in 2007, before the property tax reforms.

94.4% of homeowners saw lower tax bills in 2011 than in 2007.

51.4% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	3,118	73.7%	165	3.9%
No Change	213	5.0%	70	1.7%
Lower Tax Bill	902	21.3%	3,998	94.4%
<b>Average Change in Tax Bill</b>	<b>5.5%</b>		<b>-36.8%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	392	9.3%	79	1.9%
10% to 19%	549	13.0%	35	0.8%
1% to 9%	2,177	51.4%	51	1.2%
0%	213	5.0%	70	1.7%
-1% to -9%	487	11.5%	96	2.3%
-10% to -19%	93	2.2%	306	7.2%
-20% to -29%	40	0.9%	830	19.6%
-30% to -39%	30	0.7%	767	18.1%
-40% to -49%	37	0.9%	697	16.5%
-50% to -59%	24	0.6%	462	10.9%
-60% to -69%	25	0.6%	258	6.1%
-70% to -79%	22	0.5%	144	3.4%
-80% to -89%	39	0.9%	137	3.2%
-90% to -99%	39	0.9%	148	3.5%
-100%	66	1.6%	153	3.6%
<b>Total</b>	<b>4,233</b>	<b>100.0%</b>	<b>4,233</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*THE LOSS OF THE STATE  
HOMESTEAD CREDIT RAISED  
HOMEOWNER TAX BILLS*

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#### Homestead Property Taxes

Homestead property taxes increased 5.5% on average in Vermillion County in 2011. This was more than the state average of 4.4%. Vermillion County homestead taxes were still 36.8% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was mostly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.9% in Vermillion County in 2010.

#### Tax Rates

Property tax rates increased in half of Vermillion County tax districts. The average tax rate rose by 0.7%, mainly because of a small increase in the levy. Levies in Vermillion County increased by 0.5%. The biggest levy increase was in the county general fund. The biggest levy reduction was in the North Vermillion Community Schools debt service fund. Vermillion County's total net assessed value increased 0.8% in 2011. (The certified net AV used to compute tax rates declined by 0.2%.) Homestead assessments increased by 9.6%, and agricultural net assessments increased by 6.5%. Other residential assessments showed an increase of 4.4%, while business net assessments decreased by 4.1%.

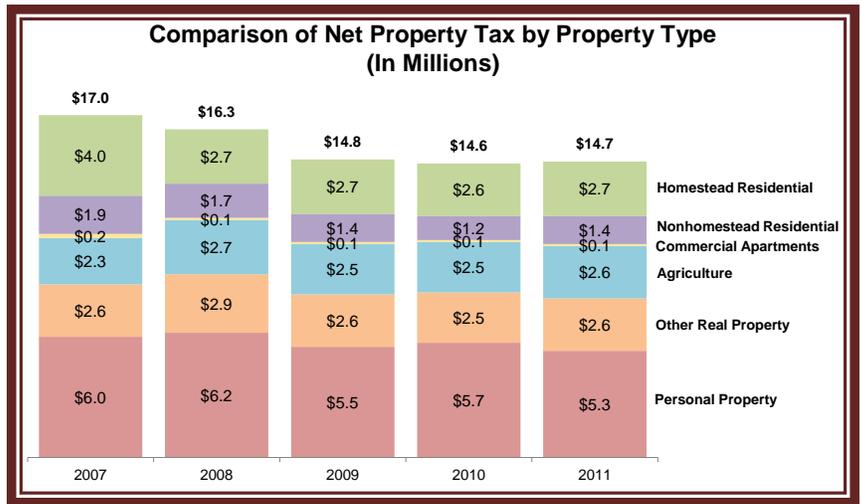
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**TAX INCREASES FOR AGRICULTURE AND  
OTHER RESIDENTIAL PROPERTY; DECREASES  
FOR APARTMENTS AND BUSINESS**

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**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers rose 0.4% in Vermillion County in 2011, less than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 21%. Tax bills for commercial apartments fell 14.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - decreased 4.8%. Agricultural tax bills rose 5.4%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS  
INCREASED IN 2011**

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Total tax cap credit losses in Vermillion County were \$895,388, or 5.8% of the levy. This was less than the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Vermillion County's average tax rate was below the state median. However, Vermillion County had one tax district with a rate well above \$3 per \$100 assessed value. Most Vermillion tax cap credits are in this tax district.

Almost three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the Clinton City, Township, and Library District and the towns of Dana, Fairview, and Universal. The largest dollar losses were in the South Vermillion School Corporation, the city of Clinton, and the county unit.

Vermillion County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$54,038	\$479,571	\$59,615	\$0	\$593,225	3.9%
2011 Tax Cap Credits	105,896	656,937	101,503	31,053	895,388	5.8%
<b>Change</b>	<b>\$51,857</b>	<b>\$177,366</b>	<b>\$41,887</b>	<b>\$31,053</b>	<b>\$302,164</b>	<b>2.0%</b>

Tax cap credits rose in Vermillion County in 2011 by \$302,164, or 51%. The additional credits represent an

added loss of 2.0% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. This resulted from increases in tax rates in most tax districts where rates were already above \$2. The elimination of the state homestead credit added to the 1% tax cap credit increase.

**The Effect of Recession**

The 2009 recession had a mixed effect on Vermillion County assessments for pay-2011. Business property values and construction activity appear to have fallen in Vermillion County in 2009, but increases in homestead and other residential values and agricultural assessments offset this decline. The resulting small increase in assessments contributed to higher tax rates, which helped increase tax cap credit revenue losses. The added losses exceeded the increase in the tax levy, so after-credit property tax revenues declined in Vermillion in 2011.

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**2009 RECESSION SLOWED ASSESSMENT  
GROWTH IN 2011, AND HELPED REDUCE  
AFTER-CREDIT REVENUES**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$400,055,560	\$407,308,990	1.8%	\$136,256,823	\$149,360,991	9.6%
Other Residential	52,092,300	54,269,500	4.2%	51,333,062	53,567,584	4.4%
Ag Business/Land	143,316,700	152,418,600	6.4%	142,907,232	152,139,972	6.5%
Business Real/Personal	511,299,041	498,649,510	-2.5%	447,584,340	429,110,115	-4.1%
<b>Total</b>	<b>\$1,106,763,601</b>	<b>\$1,112,646,600</b>	<b>0.5%</b>	<b>\$778,081,457</b>	<b>\$784,178,662</b>	<b>0.8%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

### Vermillion County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<b>County Total</b>	21,626,801	21,799,168	15,087,193	15,173,321	15,249,286	0.8%	-30.8%	0.6%	0.5%
State Unit	18,536	19,643	0	0	0	6.0%	-100.0%		
Vermillion County	5,797,853	6,264,342	5,789,070	5,979,106	6,133,902	8.0%	-7.6%	3.3%	2.6%
Clinton Township	236,783	224,459	210,999	217,986	223,489	-5.2%	-6.0%	3.3%	2.5%
Eugene Township	83,184	87,995	95,290	98,463	100,350	5.8%	8.3%	3.3%	1.9%
Helt Township	223,276	231,217	240,513	240,113	251,379	3.6%	4.0%	-0.2%	4.7%
Highland Township	55,714	56,274	59,039	60,979	62,458	1.0%	4.9%	3.3%	2.4%
Vermillion Township	59,525	47,762	67,869	70,385	70,636	-19.8%	42.1%	3.7%	0.4%
Clinton Civil City	815,554	865,996	764,693	844,595	887,258	6.2%	-11.7%	10.4%	5.1%
Cayuga Civil Town	170,569	176,872	183,211	190,154	196,249	3.7%	3.6%	3.8%	3.2%
Dana Civil Town	73,059	73,418	77,868	80,827	83,937	0.5%	6.1%	3.8%	3.8%
Fairview Park Civil Town	81,963	84,549	80,685	85,453	88,046	3.2%	-4.6%	5.9%	3.0%
Newport Civil Town	25,901	26,433	24,884	27,095	27,750	2.1%	-5.9%	8.9%	2.4%
Perrysville Civil Town	29,030	30,079	30,301	31,724	32,621	3.6%	0.7%	4.7%	2.8%
Universal Civil Town	6,801	6,685	7,487	6,967	7,570	-1.7%	12.0%	-6.9%	8.7%
North Vermillion Community School Corp	4,687,351	4,748,637	1,698,374	2,025,917	1,696,637	1.3%	-64.2%	19.3%	-16.3%
South Vermillion Community School Corp	8,386,404	7,965,460	4,836,583	4,364,938	4,370,391	-5.0%	-39.3%	-9.8%	0.1%
Clinton Public Library	478,714	491,882	508,955	510,388	552,431	2.8%	3.5%	0.3%	8.2%
Vermillion County Public Library	396,584	397,465	411,372	338,231	464,182	0.2%	3.5%	-17.8%	37.2%
Vermillion County Solid Waste Mgt Dist	0	0	0	0	0				

### Vermillion County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
83001	Clinton Township	2.2893	--	--	--	--	--	--	2.2893
83002	Clinton Civil City	3.3557	--	--	--	--	--	--	3.3557
83003	Fairview Park Civil Town	2.5767	--	--	--	--	--	--	2.5767
83004	Universal Civil Town	2.4357	--	--	--	--	--	--	2.4357
83005	Eugene Township	1.4117	--	--	--	--	--	--	1.4117
83006	Cayuga Civil Town	2.4533	--	--	--	--	--	--	2.4533
83007	Helt Township	2.0323	--	--	--	--	--	--	2.0323
83008	Dana Civil Town	2.8505	--	--	--	--	--	--	2.8505
83009	Highland Township	1.4453	--	--	--	--	--	--	1.4453
83010	Perrysville Civil Town	1.9883	--	--	--	--	--	--	1.9883
83011	Vermillion Township	1.4542	--	--	--	--	--	--	1.4542
83012	Newport Civil Town	2.0673	--	--	--	--	--	--	2.0673

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

**Vermillion County 2011 Circuit Breaker Cap Credits**

Taxing Unit Name	Circuit Breaker Credits by Property Type				Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly			
<i>Non-TIF Total</i>	105,895	656,539	100,417	31,053	893,904	15,249,286	5.9%
<i>TIF Total</i>	0	399	1,086	0	1,485	89,040	1.7%
<i>County Total</i>	105,895	656,937	101,503	31,053	895,388	15,338,326	5.8%
Vermillion County	31,149	177,706	23,826	9,505	242,185	6,133,902	3.9%
Clinton Township	4,432	18,562	2,361	589	25,945	223,489	11.6%
Eugene Township	13	255	0	43	311	100,350	0.3%
Helt Township	210	1,665	0	189	2,064	251,379	0.8%
Highland Township	0	0	0	76	76	62,458	0.1%
Vermillion Township	0	48	0	87	134	70,636	0.2%
Clinton Civil City	16,409	143,096	34,389	4,940	198,834	887,258	22.4%
Cayuga Civil Town	502	9,972	0	929	11,404	196,249	5.8%
Dana Civil Town	703	9,193	0	915	10,811	83,937	12.9%
Fairview Park Civil Town	1,218	9,341	0	430	10,988	88,046	12.5%
Newport Civil Town	0	403	0	174	577	27,750	2.1%
Perrysville Civil Town	0	0	0	2	2	32,621	0.0%
Universal Civil Town	2	909	0	108	1,019	7,570	13.5%
North Vermillion Community School Corp	227	4,820	0	1,493	6,540	1,696,637	0.4%
South Vermillion Community School Corp	40,317	222,398	31,214	9,227	303,155	4,370,391	6.9%
Clinton Public Library	10,497	55,788	8,627	1,926	76,838	552,431	13.9%
Vermillion County Public Library	218	2,381	0	422	3,020	464,182	0.7%
Vermillion County Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Clinton Industrial Park EDA	0	399	976	0	1,374	87,076	1.6%
TIF - Clinton TIFF Expansion One	0	0	110	0	110	1,964	5.6%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

**Circuit Breaker Credit Types:**

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.